



DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

14 CFR Part 129

Changes to the International Aviation Safety Assessment (IASA) Program

AGENCY: Federal Aviation Administration (FAA), Department of Transportation (DOT).

ACTION: Policy statement.

SUMMARY: This document describes policy changes, clarification, or restatement to the FAA's International Aviation Safety Assessment (IASA) program to enhance engagement with civil aviation authorities (CAAs) through pre- and post-IASA assessment and to promote greater transparency. The FAA is making these changes to IASA policy to better meet the FAA's mission and safety expectations of the U.S. traveling public; better mitigate international civil aviation safety risks; strengthen international relationships with CAAs toward sustained success in maintaining or obtaining proper safety oversight; and improve effectiveness, integration, and efficiency in executing the IASA process. This document modifies the IASA policies previously announced by the FAA.

DATES: This policy modification is effective [INSERT DATE OF PUBLICATION IN THE FEDERAL REGISTER].

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SUPPLEMENTARY INFORMATION:

Background

The IASA program is the means by which the FAA determines whether another country's oversight of its air carriers that operate, or seek to operate, into the U.S., or code-share with a U.S. air carrier, complies with safety standards established by the International Civil Aviation Organization (ICAO). The published IASA results of Category 1 or Category 2 is notification to the U.S. traveling public of safety issues. Public notification of the IASA program was established by a Federal Register (FR) notification. As with this recent Federal Register document, subsequent milestones in the evolution of the program were also published in the Federal Register. These notifications are as follows:

- August 24, 1992 – established the FAA Procedures for Examining and Monitoring Foreign Air Carriers (57 FR 38342).
- September 8, 1994 – established the Public Disclosure of the Results of Foreign Civil Aviation Authority Assessments, through a three-category numbered rating system. (59 FR 46332).
- October 31, 1995 – DOT notice Clarification Concerning Examination of Foreign Carriers' Request for Expanded Economic Authority, clarified the Department's licensing policy regarding requests for expanded economic authority from foreign air carriers whose CAA's safety oversight capability has been assessed by the FAA as conditional (Category II) or unacceptable (Category III) (60 FR 55408).
- May 25, 2000 – Changes to the International Aviation Safety Assessment Program removed the Category 3 rating and combined it with Category 2 (65 FR 33751).
- March 8, 2013 – Changes to the International Aviation Safety Assessment Program removed inactive countries (countries with no air carrier operations to the United States or code-shares with U.S. operators for four years and no

significant interaction between the country's CAA and the FAA) from the IASA Category list (78 FR 14912).

Through its IASA program, the FAA seeks continuous improvement to achieve even greater global aviation safety levels. As noted in the above-referenced Federal Register notification of September 8, 1994, initial IASA assessments found that two-thirds of the CAAs assessed had deficiencies in safety oversight obligations under the Convention on International Civil Aviation. As broad evidence of the program's effectiveness, now 90% of countries with an IASA rating achieved Category 1 and meet ICAO standards. The following changes are intended to further enhance the IASA program and strengthen safety oversight worldwide.

IASA Program Policy Changes, Clarification, or Restatement

The following paragraphs describe policy changes, clarification, or restatement to the FAA's IASA program to enhance engagement with CAAs through pre- and post-IASA assessment and to promote greater transparency.

Clarification of Definition of What the IASA Categories Mean

The FAA is clarifying the IASA Category definitions to align them with the types of operations that require an IASA Category rating and therefore demonstrate the need for FAA oversight. The notification, published on March 8, 2013,¹ states the definitions as, "Category 1 means that the FAA has found that the country meets ICAO standards for safety oversight of civil aviation. Category 2 means that the FAA has found that the country does not meet those standards." The notification further states that "the IASA category rating applies only to services to and from the United States and to code-share operations when the code of a U.S. air carrier is placed on a foreign carrier flight. The category ratings do not apply to a foreign carrier's domestic flights or to flights by that carrier between its homeland and a third country. The assessment team looks at those

¹ 78 FR 14912

flights only to the extent that they reflect on the country's oversight of operations to and from the United States and to code-share operations where a U.S. air carrier code is placed on a flight conducted by a foreign operator." Not combining this applicability into the Category definitions has given the public a mistaken perception of the FAA oversight of all operators in that country. The FAA exercises oversight authority of foreign operators with direct service to the United States through issuance and oversight of operations specifications (OpSpecs) issued to 14 CFR part 129 operators. This requires the FAA to engage in regular contact with the relevant foreign CAA as to various aspects of these operations. When a U.S. operator places its code on a foreign operator's flight, part 129 OpSpecs are not required, but those code-share arrangements are subject to regular audits acceptable to the U.S. Department of Transportation (U.S. DOT) under the U.S. Code-Share Program Guidelines. The FAA has no oversight authority for other air operator operations of the applicable CAA outside of these two instances. Therefore, the FAA is clarifying its IASA Category definitions as follows:

- *Category 1, Does Comply with ICAO Standards:* The FAA has found that the country meets ICAO standards for safety oversight of civil aviation. Pursuant to category 1, a country's operators may pursue direct service to the United States or code-sharing partnership with U.S. air carriers where a U.S. air carrier places its codes on flights operated by a foreign carrier(s).
- *Category 2, Does Not Comply with ICAO Standards:* The FAA has found that the country does not meet those standards for safety oversight.

Change in the Criteria for Country Removal from the IASA List for Inactivity

The policy, established in the March 8, 2013 Federal Register notification, allows for the removal of a country from the IASA category listing after four years of inactivity. The three criteria for removal are: a country has no air carrier providing air transport service to the United States; the country has no air carrier that participates in a code-share

arrangement with U.S. air carriers; and the CAA does not interact significantly with the FAA. The FAA experience and analysis indicate that IASA information is not reliable two years after an initial assessment or reassessment without the safety oversight interaction between the FAA and foreign CAA, such as when there is an operator conducting U.S. air service and holding FAA OpSpecs under part 129, when a U.S. operator places its code on a foreign operator's flights, or when the FAA is providing technical assistance based on identified areas of non-compliance to international standards for safety oversight. Absent such interaction, any other engagement between the FAA and a foreign CAA is not a reliable indicator of the CAA's safety oversight capabilities in accordance with ICAO standards.

The removal criteria published in 2013 no longer meet the need for timeliness and accuracy of information on the IASA Category Rating list. The 2013 criteria leave Category 1 countries on the list for an extended period of time and may give the U.S. traveling public a false sense of safety. Also, leaving Category 2 countries on the list for an extended period of time can be perceived as unfairly penalizing those countries when there has been no activity since the Category 2 rating was issued. As a result, the FAA will reduce the removal benchmark from four years to two years absent the interaction described above.

Clarification as to When an IASA Will be Performed in a Country With No IASA Category Rating

The FAA will perform an IASA of countries with no IASA Category rating after an operator from that country files an economic authority application with the U.S. DOT for either direct U.S. service with its own aircraft and crew, or a code-share that involves the foreign operator displaying the code of a U.S. operator. In many requests for an IASA, the country either does not have an operator or its operator may not yet have the aircraft type needed to provide service to the United States. This clarification in policy is

intended to ensure that an initial IASA is used for its intended purpose of ensuring that the CAA and its operator(s) have each taken the necessary measures to manage and oversee such operations in accordance with ICAO standards, and also to maintain the accuracy of the IASA Category Rating list by not listing countries with no operations that meet the IASA applicability criteria.

Explanation of the Risk Analysis Process Used to Determine Countries of High Risk for IASA Reassessment

Risk Analysis to Determine IASA Category 1 Countries for Reassessment

The FAA uses a risk analysis process to identify IASA Category 1 countries for reassessment. The risk analysis is performed, at least annually and whenever new safety information is obtained, on each country on the IASA Category Rating list to determine countries of highest risk to the U.S. National Airspace System (NAS) and the U.S. traveling public. The risk analysis was developed by FAA experts in this field, and is comprised of individual risk elements and grouped into the following five major IASA risk categories:

1. DOT Economic Authority — New or existing U.S. DOT economic authority; U.S. service under part 129; new or current code-share involving display of U.S. operator code on foreign operator flights; and any USDOT administrative emphasis items and initiatives.
2. Governance and Safety Culture — Areas of interest include: contracting of safety oversight functions; carrier wet lease to airlines of other countries; safety items identified by the CAA remain unresolved or not addressed; complaints received by FAA from other CAAs, operators, manufacturers, and the traveling public.
3. IASA Information — Time passed since the last IASA, and other factors that indicate the Category 1 rating may no longer be valid.

4. ICAO Requirements — Risk concerns include: negative ICAO Universal Safety Oversight Audit Program (USOAP) findings indicating noncompliance with one or more of the eight critical elements of safety oversight; ICAO reports indicating noncompliance with Standards and Recommended Practices (SARPs); inaction with respect to ICAO action plans; ICAO USOAP information over two years old thus limiting its value.
5. FAA Information — FAA has safety concerns about the oversight provided by the CAA, which include the areas of: FAA and foreign ramp inspections; safety-related complaints about carrier(s) from other CAAs; active technical assistance activities; compliance issues are present in FAA certificated or approved entities in the country; Congressional inquiries; and existing bilateral agreement implementation procedures.

Change to Introduce a New, Informal Process for Engagement With CAAs Identified For IASA Reassessment

In support of the FAA's objective of improving communications with CAAs of IASA Category 1 countries identified as priorities through the FAA's risk analysis, the FAA will exercise discretion to provide CAAs with informal notification of safety concerns and request discussions with CAAs prior to the initiation of the formal IASA process. If such safety concerns have not been satisfactorily addressed, the FAA will begin the formal IASA notification process. The FAA will retain its ability to initiate immediate IASA category changes or IASA assessments when justified based on available safety information. The discretion to engage informally is to make CAAs aware of potential deficiencies in safety oversight to enable more efficient resolution.

Change to Introduce New Risk Mitigation Measures When Countries Have Been Notified of High Risk Concerns That Would Trigger an IASA Reassessment

This mitigation is twofold and involves limits to foreign operations to the United States and code-share arrangements with operators from countries for which the FAA has identified safety oversight concerns and limits on certain bilateral agreements. These changes will provide the U.S. traveling public and the U.S. air transportation system with an added measure of safety mitigation and freedom from external pressures to delay safety oversight responsibilities.

- Limitations on foreign operations to the United States and code-share arrangements. Upon FAA notification to a CAA of the FAA's safety concern and identification for an IASA reassessment, the FAA will limit the direct service to the United States and the display of U.S. operators' codes on foreign operators of that country to current levels.
- Limits on certain bilateral agreements. The FAA will communicate to the CAA that the FAA will cease reciprocal acceptance of any approvals or certifications under existing Bilateral Aviation Safety Agreement (BASA) implementation procedures (IP) for which the CAA may be responsible for issuing. These risk mitigation actions will increase transparency during the time between informal notification of the potential need for an IASA and the conclusion of the formal IASA process.

CAA Completion of the IASA Checklist Prior to an Assessment or Reassessment

The FAA currently requests that the CAA provide a completed IASA checklist (available on the FAA website) prior to the FAA conducting an IASA; however, the FAA has not explicitly identified this step in past IASA policy statements. While not mandatory, it is in the CAA's best interest to complete the checklist in preparation for safety oversight discussions. The CAA's provision of a completed IASA checklist in advance of the assessment, whether initial assessment or reassessment, will facilitate an efficient and effective assessment review.

Transmittal of IASA Results

This is a restatement of current policy. Once an IASA has been completed, the FAA will provide any findings of noncompliance with ICAO standards. Subsequently, the FAA will provide the results of the assessment to the CAA through an established cable process. If there are no findings of noncompliance with ICAO standards in the IASA report, the cable will reflect that the country will receive an IASA Category 1 rating. If there have been any findings of noncompliance with applicable ICAO standards, the FAA will provide the CAA with the opportunity to provide evidence to the FAA of the actions it has taken since the IASA to correct any findings of noncompliance.

IASA Final Discussions

This is a restatement of current policy. During the final discussions, the FAA will review each IASA finding of noncompliance with the CAA, the CAA's corrective action since the IASA, and the status of the finding as either open or closed. This will be documented in a Record of Discussions, and the record will be signed by both the FAA and the CAA. The final assignment of an IASA Category rating will be transmitted to the CAA through the cable process.

Incorporation of FAA and CAA Development of a Corrective Action Plan (CAP) Upon Notification of an IASA Category 2 Rating

For additional communication and support for a country downgraded to an IASA Category 2 rating, the FAA will provide the CAA with a CAP to address its safety oversight deficiencies and will conduct a virtual meeting with the CAA to establish timelines for completion. This will allow the CAA to begin work on its safety oversight findings at the conclusion of the IASA process without delay. Should the CAA request FAA technical assistance implementation of its CAP, this would require a government-to-government agreement.

Restatement of the Current Practice Regarding Reassessment of IASA Category 2 Countries

To restate current FAA policy, a country with an IASA Category 2 rating may request a reassessment in an attempt to obtain a Category 1 rating. A CAP, as discussed above, showing the CAA's action on resolving the identified safety oversight items is one way of providing evidence of CAA readiness for an IASA reassessment.

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